

January 2017

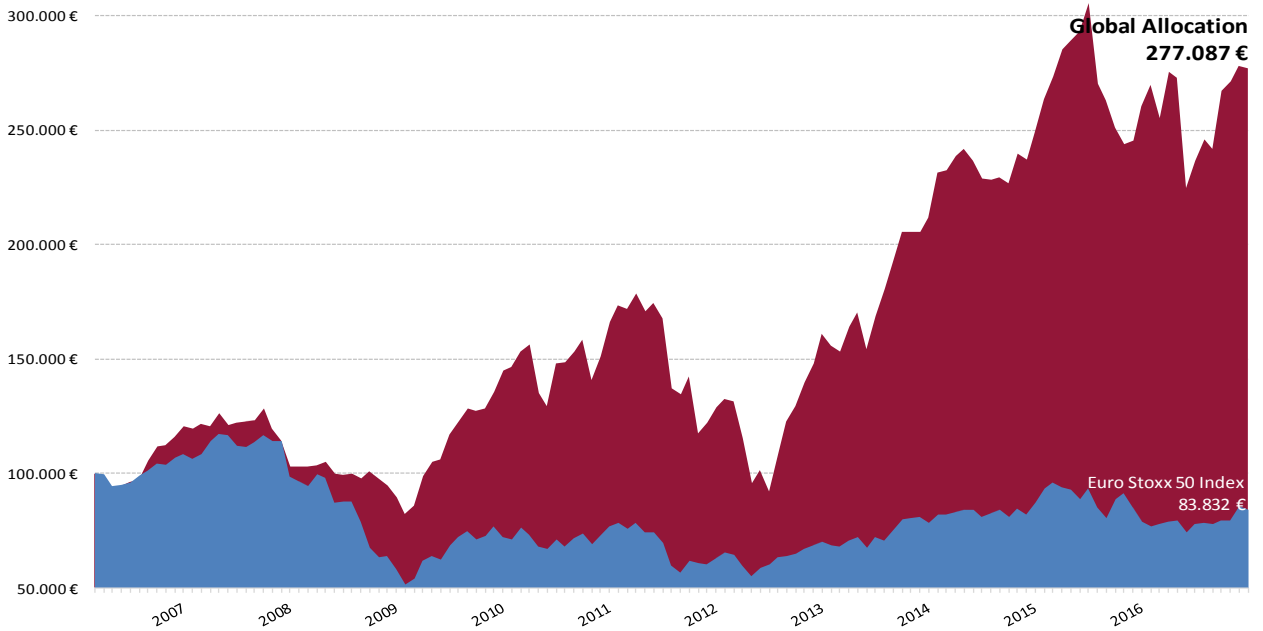
Morningstar Rating™

★★★★★

	NAV	JANUARY	2017	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION
Global Allocation Fund*	105,15	-0,27%	-0,27%	6,45%	30,87%	115,30%	177,09%

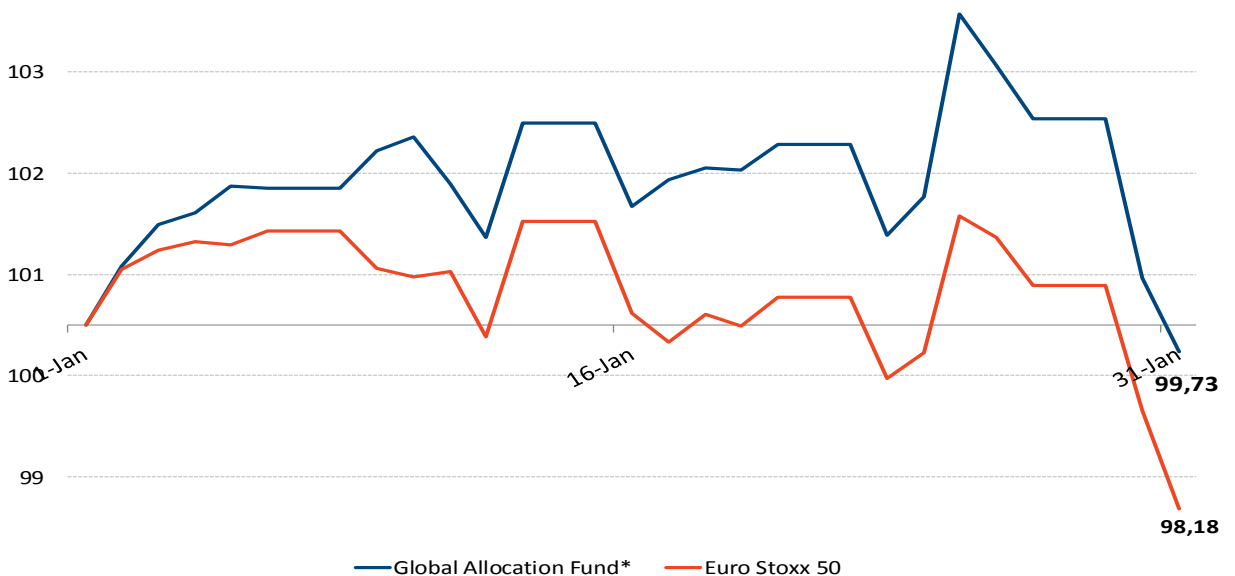
Performance of 100.000 €

March 31, 2006 to January 31, 2016



Global Allocation Fund* vs. Euro Stoxx 50

January 1, 2017 to January 31, 2017



January 2017

“By a continuing process of inflation, governments can confiscate, secretly and unobserved, an important part of the wealth of their citizens..”

John Maynard Keynes

We initiated the month of January with a decent long exposure to Eurostoxx 50, but excessive optimism advised us to cut that exposure. Taking advantage of the sharp advances in bank stocks we took a little short in the banking index which reported some profits. We expected this correction and preferred to wait for a better opportunity to enter more decisively.

The trading range during the month has been rather narrow, with corrections in the late part after the market failed to break some resistances, due mainly to the measures taken by Trump’s administration in the early dates of its mandate. Investors are focusing on everything he says, signs, opines, tweets or comments. We think that the influence that might finally have is a little overvalued. Finally, macro dictates and, by the way, it’s improving markedly and rapidly.

We have taken a 5% position in gold and silver miners. We believe that long equities is the right position when inflation comes (Spain 3% and Germany 2%), but even more long raw materials, especially gold and silver. This positions are up 7% in the month. On the other side, our position in Banco Popular did not perform well. The changes in the board of directors of the bank makes us think about a plausible takeover or merge. The generalized pessimism about the future of the company has made it trade at 0,25 book value. Reasonable, without doing too much analysis.

Even though the Eurostoxx 50 has closed the month -1,82%, while there are not fundamental changes we will maintain our long exposure to European Equities. Moreover, it seems that institutional investors are underweight in European equities with respect to US. Good signal. The main risk is in interest rates, as an uncontrolled rise in long term bond yields could derail this train. By the moment, the excessive short positioning in bonds will prevent that to happen, at least imminently. We are waiting for better entry levels to put shorts in bonds as a hedge for our long equities. While the rise in interest rates is slow and real interest rates become each time more negative, the only asset that makes sense are the so-called risk assets. That’s basically what Central Banks intend. We’ll see how are Central Banks able to deal with this situation.

The protectionist measures announced by Trump could be profitable for other countries, especially European and some emerging countries. They are not good for the USA. We will see. In any case, even though optimism is generalized, we do not think we are anywhere close to the euphoria levels necessary for a destructive correction to take place. We prefer to hold our exposure to equities now that the train seems to be departing rather than when it has gained velocity and the brakes don’t work. From a macroeconomic point of view, we expect this environment to last for one or two years at least before a hasty step down from the train occurs.

At least, as Keynes said, even though inflation is unfair, deflation is inconvenient.

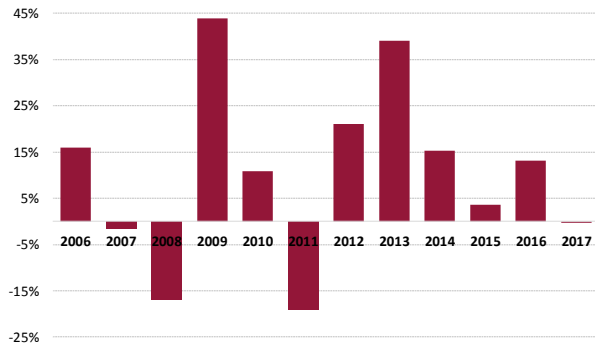
Portfolio 31/12/2016



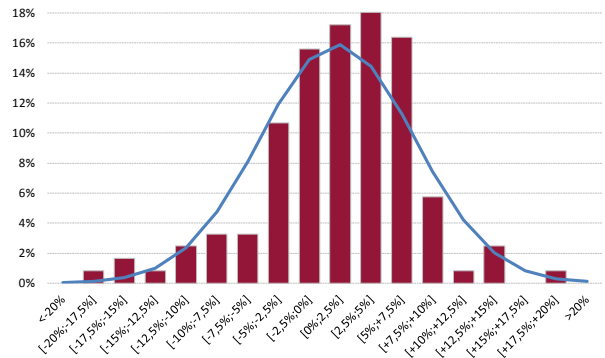
Monthly Performance

	JAN.	FEB.	MAR.	APR.	MAY	JUN.	JUL.	AUG.	SEP.	OCT.	NOV.	DEC.	YEAR
2017	-0,27%												-0,27%
2016	6,03%	3,56%	-5,39%	7,97%	-1,12%	-17,22%	5,36%	3,42%	-1,53%	10,33%	1,77%	2,33%	13,17%
2015	5,12%	5,91%	3,72%	4,31%	1,22%	1,53%	4,22%	-11,50%	-2,72%	-4,49%	-3,01%	0,74%	3,65%
2014	3,03%	9,27%	0,64%	2,58%	1,17%	-2,15%	-3,33%	-0,09%	0,44%	-1,20%	5,65%	-1,07%	15,26%
2013	8,93%	-3,41%	-1,45%	7,02%	2,95%	-8,62%	9,46%	6,21%	7,02%	7,13%	-0,11%	0,01%	39,02%
2012	5,46%	2,86%	-0,73%	-12,30%	-17,26%	6,36%	-9,13%	17,91%	12,83%	5,48%	8,10%	5,73%	21,13%
2011	9,90%	4,39%	-0,85%	3,74%	-4,33%	2,29%	-3,83%	-18,49%	-1,74%	5,70%	-17,27%	3,81%	-19,27%
2010	6,34%	0,84%	4,67%	2,13%	-13,65%	-4,04%	14,29%	0,43%	2,99%	3,36%	-10,95%	7,33%	10,91%
2009	-5,60%	-8,70%	6,01%	14,20%	5,98%	1,11%	10,07%	5,04%	4,76%	-0,89%	0,86%	6,25%	43,83%
2008	-9,79%	-0,15%	-0,06%	2,74%	-0,65%	-4,73%	-0,51%	0,20%	-1,95%	2,99%	-2,95%	-2,91%	-16,96%
2007	3,79%	-0,79%	1,78%	-0,86%	4,53%	-4,08%	1,21%	0,26%	0,19%	4,37%	-6,99%	-4,31%	-1,62%
2006				-1,31%	-6,88%	3,01%	1,74%	1,04%	8,11%	6,01%	0,48%	3,49%	16,00%

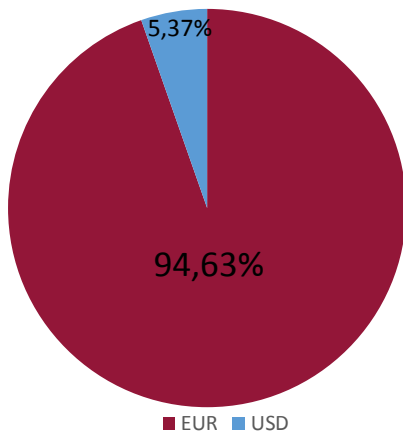
Historical Annual Returns (March 2006 - January 2017)



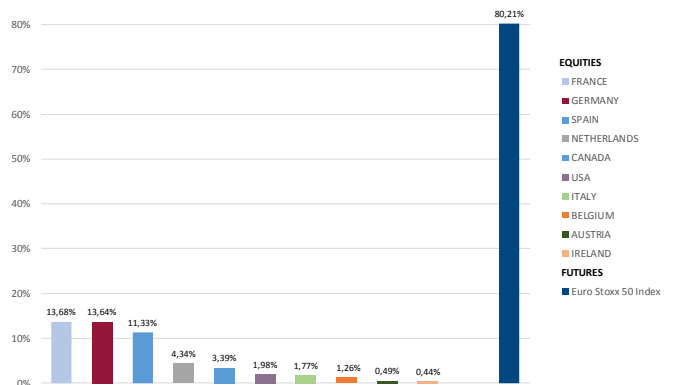
Monthly Returns Distribution (March 2006 - January 2017)



Currency Exposure



Country Exposure (Equities & Bonds)



January 2017

Performance Risk Analyst

	Since Inception	Last	
		12 months	3 years
Cumulative Return	177,83%	13,17%	35,20%
Average monthly return	1,00%	1,29%	0,99%
Maximum monthly return	17,91%	10,33%	10,33%
Minimum monthly return	-18,49%	-17,22%	-17,22%
Annualized return	9,97%	13,17%	10,57%
Sortino Ratio	0,54		
% Positive months	62,02%	66,67%	63,89%

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GLOBAL ALLOCATION FUND

FUND MANAGER	LUIS BONONATO	
INVESTMENT ANALYST	FRANCESC MARIN	
INVESTMENT MANAGER	AURIGA GLOBAL INVESTORS S.V.	
CUSTODIAN	SOCIÉTÉ GÉNÉRALE BANK &	
CURRENCY	EUR	
LIQUIDITY	DAILY	
	CLASS A	CLASS B
ISIN CODE	LU1394718735	LU1394718818
BLOOMBERG TICKER	AUGLALA LX	AUGLALB LX
MINIMUM INVESTMENT	10 €	1.000.000 €
FEES		
MANAGEMENT	1,50%	1,00%
PERFORMANCE	9,00%	9,00%
SUBSCRIPTION	NONE	NONE
REDEMPTION	3% FIRST YEAR	3% FIRST YEAR

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*Performance of Global Allocation FI until 31th of July 2016. Performance of Auriga Investors Global Allocation since then

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